



STATE OF INDIANA  
OFFICE OF THE GOVERNOR  
State House, Second Floor  
Indianapolis, Indiana 46204

Mitchell E. Daniels, Jr.  
*Governor*

December 7, 2007

The Honorable George W. Bush  
President of the United States  
The White House  
Washington, D. C. 20202

Through: Edward G. Buikema  
Regional Administrator  
Federal Emergency Management Agency  
Region V  
536 South Clark Street, 6<sup>th</sup> Floor  
Chicago, Illinois 60605-1521

Dear Mr. President:

In accordance with 44 CFR § 206.46, please accept this letter as my appeal of your November 20, 2007 decision to deny a major disaster declaration for the State of Indiana. On November 2, 2007, I requested that you declare a major disaster for the State of Indiana. North central Indiana suffered extensive damage to homes, businesses, industry and public infrastructure as a result of an Enhanced Fujita scale 3 (EF-3) tornado that occurred on the evening of October 18, 2007.

This devastating tornado had tremendous local impact upon the economy of the area. The economy of Elkhart County is chiefly manufacturing based. The county is home to the largest manufactured housing producers in the nation. The manufactured housing industry and its associated local suppliers are the major employers in the region.

Elkhart and Marshall Counties suffer from high unemployment and low income. Portions of Kosciusko County contain low income and impoverished populations. Families of such populations reside in the rural areas of all three counties. These families have been impacted directly and/or indirectly by the devastating affects of this tornado.

Residents have not only lost their homes but their jobs as well. Over 80 individuals have visited local Department of Workforce Development offices seeking unemployment assistance. The Department of Workforce Development provides on-line registration for unemployment assistance, and an additional unknown number of persons have applied. Some workers are temporarily out of work while others are permanently out of work. Those permanently out of work are having great difficulty finding a job due to the area's slow economy.

The event on October 18 is the third in a series of severe weather episodes and the second tornado event to strike this area of northern Indiana in a three month period. These events have had a cascading affect on Elkhart, Kosciusko and Marshall Counties

and their municipalities. The extraordinary storm events leading up to the tornado on October 18 include the following:

The first storms of August 15 produced two EF 1 tornadoes, severe lightning, and high winds. Lightning caused extensive damage to the City of Nappanee's (Elkhart County) electronic emergency communication system. High winds and tornadoes caused damage to the electric infrastructure owned by the Marshall County REMC and the Town of Argos' (Marshall County) municipal electric utility. The storms generated extraordinary amounts of debris county-wide.

On August 15, the first EF1 tornado touchdown was 1.2 miles west of Argos. This tornado caused heavy damage including trees down across vehicles and caused damage to homes. The second touchdown occurred 1.1 miles south southwest of Argos and had a subsequent path 250 yards long and 25 yards wide. These two damaging tornadoes were embedded within a larger 2.5 mile wide microburst. Widespread structural damage was observed which included heavy roof damage to an industrial plant and heavy damage to a gas station at the same intersection. Microburst winds were estimated to be up to 80 mph. These 80 mph winds are equal to the force of a category 1 hurricane. This was the same line of storms that crossed into Indiana from Illinois containing microburst winds of up to 120 mph that caused serious damage in Northwest Indiana only hours earlier. These 120 mph winds are equal to the devastating winds of a category 3 hurricane. Tornado and wind damage reports from this event were also received from Adams, Blackford, Cass, Delaware, Fulton, Grant, Jasper, Kosciusko, Lake, Laporte, Miami, Porter, Randolph, Starke, and Whitley Counties. The Elkhart, Kosciusko and Marshall Counties sustained the most extensive damage from this storm.

The second round of severe storms and wind occurred from August 23 through August 25. Powerful thunderstorms on Thursday and Friday, August 23-24, raced through sections of northern Indiana, producing widespread extensive wind damage. The first round of thunderstorms on August 23 raced toward the region at speeds approaching 60 mph causing widespread wind damage across northwest Indiana. A wind gust of 81 mph (category 1 hurricane force) was recorded at the Michigan City Lighthouse as the thunderstorm complex took on a bowing/spearhead shape, a typical feature of thunderstorms that produce damaging wind. Trees and power lines were reported toppled, blocking streets and highways along with causing structural damage. Remarkably, there were no deaths or serious injuries sustained. The thunderstorms continued to produce wind damage as they pushed across extreme northern Indiana through the evening. Extraordinary costs for emergency protective measures, debris removal and electric infrastructure were again incurred by the municipalities and citizens of northern Indiana.

The next day a line of intense thunderstorms caused extensive wind damage which downed trees and power lines. The most extensive damage occurred in northeastern and east central portions of Indiana. Many reports of snapped/uprooted trees and structural damage were reported. The Barbee/Kuhn Lake (Kosciusko County) area, where the

National Weather Service confirmed a microburst had occurred, was the hardest hit area. Seven homes sustained major structural damage and numerous trees were uprooted and/or sheared off taking down power lines. The downed trees and lines blocked roads and created an extended power outage in the Town of North Webster. Twenty-five counties were impacted by high winds during this round of storms. Again, emergency protective measures, debris removal and electric infrastructure damage costs continued to climb in the same affected areas.

During the month of August, Elkhart, Kosciusko and Marshall Counties sustained super-cell thunderstorm winds, micro bursts and downbursts. In Marshall County, two EF 1 tornadoes were imbedded in a microburst. These events caused great damage over a vast area of the three counties. These counties incurred extraordinary costs in emergency protective measures, damage to cooperative and municipal electric infrastructure as well as extraordinary costs associated with extensive debris removal and disposal operations. There are areas in each county where debris remains along the right of ways.

The most significant per capita costs to local government caused by these August storms were: \$6.90 in Marshall County; \$29.76 in the Town of Argos; and \$7.15 in the Town of Culver. In Elkhart County, the City of Nappanee incurred over \$95,000 in storm damage to public infrastructure in these storms alone. The immense local impact is devastating to local jurisdictions.

As a result of those storms I requested Public Assistance for Elkhart, Hendricks, Lake, Laporte, Starke, Marshall and Porter Counties. The request was denied. Counties, cities and towns continue to struggle with the serious financial consequences caused by these August storms.

Communities had already expended resources beyond their prescribed budgets when the tornado struck the southwestern portion of Elkhart County, northwestern Kosciusko County and northeastern Marshall County on October 18.

At 10:05 pm on October 18, an EF 3 tornado moved rapidly northeast at over 50 mph, with a path width of ½ mile. It intensified rapidly, tracking between Bremen and Bourbon. The tornado continued to intensify as it tracked over northwest Kosciusko County, reaching EF3 intensity just south of Nappanee causing extensive damage. The tornado contracted as it entered into southeast Nappanee, reaching max intensity of a high end EF3 with winds estimated at 165 mph, the force of a category 5 hurricane, causing widespread devastation to homes and businesses within its path. The majority of the damage to homes and businesses occurred in the City of Nappanee where hundreds of structures suffered extensive damage or were destroyed. The tornado continued moving northeast out of the city and dissipated. Its path extended for 20 miles with a maximum width of one half mile and a peak intensity of EF3 on the Enhanced Fujita Scale.

A joint preliminary damage assessment for Individual Assistance was conducted on October 24 and 25. The survey revealed 388 homes were damaged: 51 were destroyed,

137 sustained major damage, 66 sustained minor damage and 134 were affected. The majority of the damaged housing units were low to moderate income. Less than 5 percent of the homes surveyed could be appraised at \$150,000 or greater.

Local building officials, performing inspections pursuant to the permitting process, and insurance adjusters have determined that 13 homes previously deemed to be minor damage have been determined to be destroyed. Additionally, one home that was originally classified as minor has been determined to have suffered major damage. These determinations increase the total number of destroyed homes to 64, with 138 majors, 27 minors and 134 affected. Also, 109 businesses were damaged in Elkhart County. Nearly all of the businesses and most of the homes damaged were in Nappanee.

Nappanee is a small rural city. Many such northern Indiana communities are classified as depressed and host low income and high unemployment populations. These Hoosiers, many of whom live on the edge of economic disaster, are not capable of enduring extraordinary costs without outside assistance. Many of the victims residing in Elkhart, Kosciusko and Marshall Counties are in great need of financial aid.

On December 3 and 4, the Indiana Department of Homeland Security surveyed the impacted counties and the recovery effort. They met with representatives of local, state, and federal governments as well as voluntary agencies and insurance agents. Their investigation has revealed the following disturbing facts:

- Voluntary agencies estimate hundreds of thousands of dollars in donations will be required to assist victims in the immediate future. These agencies are being stretched to the limits. They are seeing increased needs for clothing, food, and financial assistance.
- The combined expenses of on-going regular emergency assistance and the necessary assistance to the tornado victims have totally exhausted the funds of the Elkhart County Chapter of the American Red Cross. The chapter may be closed as a result of lack of funds.
- The voluntary agencies recovery committee is currently dealing with 61 serious unmet needs cases of which 16 are renters while the remaining cases are homeowners. The number of cases is expected to grow.
- Collectively, the voluntary agencies are concerned that the needs of the disaster victims are long term. Their assistance is limited. They are unsure of how long they can continue to provide necessary assistance.
- Volunteer clean-up efforts are estimated to have exceeded 2 Million dollars. A total of 14,590 volunteers were involved.

- Churches have seen a dramatic rise in the need for clothing for displaced families.
- Meals on Wheels nearly doubled the number of meals provided from the month of September to the month of November, 2007.
- A survey of homes damaged by the tornado indicated that repairs had not been started on nearly 60 percent of the low income housing.
- One low to moderate income homeowner in Nappanee received his insurance settlement only to have it taken by an unscrupulous contractor.
- Of the three homes in Marshall County that were destroyed, one had no insurance while the other two were severely under insured.
- Residents whose homes have been destroyed do not have insurance to replace their homes. An owner of a destroyed mobile home near Bourbon, for example, received a settlement for the actual cash value of the home that provided less than half of the funds necessary to replace the home.
- The Assembly of God church has a \$250,000 insurance shortfall.
- Franklin Coach is still awaiting an insurance settlement while its 65 employees remain unemployed. Many of its employees were also tornado victims. The probability of the company's recovery is very low. The 65 employees are not only without their well paying jobs but are now without health insurance.
- NELLO Corporation, a manufacturer of cell phone and radio towers, relocated to another county as a result of the damage sustained to their plant, taking with it 40 jobs and its associated economic impact. Not all of the employees were able to continue employment at the new location due to the travel distance.
- Beyond the actual tornado path, businesses and manufacturers that supply the industries damaged by the tornado have reduced production from five to three days per week. The reduction in production by both the damaged industry and its many suppliers, and the associated reduction in pay, are causing great personal financial hardships on many of the local residents as well as having an economic impact on the remaining businesses in the community. The reduced wages place additional burdens on the voluntary agencies, churches and service organizations and have significant negative community impact.

- Many small businesses have not started repairs or demolition. At this late date, their recovery is very questionable.
- Displaced/unemployed workers are now paying higher insurance costs (COBRA) to maintain health insurance coverage.
- Workers on unemployment as a result of the tornado are now unable to get work in the area due to the slow economy. Over 20% of the people who lost employment are now suffering significant hardships.
- In Kosciusko County, many of the damaged homes are beginning to make repairs but there are still homes that remain in the same damaged condition as the day after the tornado.
- The Amish must provide out of pocket expenses of at least 1/5 or 20 percent of the cost to repair or replace their damaged homes and buildings.
- More than 20 rural Kosciusko County homeowners were not covered by insurance.
- Large gaps in "contents" insurance coverage exists throughout the area.
- Only three percent of occupied rental properties were insured. Nearly all of the renters lost their entire personal property, adding additional stress on the voluntary agencies who are attempting to provide essential household goods.
- Low to moderate income homeowners are realizing that their homes were insured for actual cash value. After depreciation is considered in their settlements, homeowners are finding it extremely difficult to adequately recover. Serious shortfalls of \$7,000 to \$30,000 are common. Thus, making complete repairs impossible, leading to further damage especially as winter is upon us.
- The original JPDA extrapolated insurance coverage due to the inaccessibility to homeowners. Six weeks into the recovery effort we are finding that the original estimate of 90 percent owner insurance appears to be too high. Insurance coverage is no greater than 80 percent for owners. It was known at the time of the JPDA, and so noted, that there would be serious shortfalls due to the lack of replacement insurance.
- Very little additional living expense coverage has been found. Voluntary agencies are providing limited rental assistance in the form of one month's rent, but in most cases, temporary housing is being provided by family and friends.

- The stress of families and friends overcrowding their homes to accommodate victims is being seen by mental health workers after a month of cohabitation. A large number of mental health-related issues involving the victims are now being recognized. Both adults and children are exhibiting behaviors associated with stress and trauma.
- Significant mental health-related issues are beginning to surface in the community. Children are beginning to exhibit signs of post-incident trauma which is affecting the parents. At least one school in the area is providing counseling services to 25 of the children.
- Homes classified as major damage or destroyed remain scattered throughout the community, untouched, and can be easily accessed. These damaged homes are a dangerous attraction to children while posing a danger to the health and safety of nearby residents. Insulation is uncontained and becoming airborne on the wind. Hazardous household materials left in homes and garages also pose a threat. These common health and safety hazards are either now, or soon will, affect the neighborhoods.
- Local building officials inspecting damaged homes for permit purposes are finding that homes determined in the Joint Preliminary Damage Assessment as minor have shifted on their foundations. To date, thirteen homes have been moved from minor to the destroyed category; therefore, increasing the number of destroyed homes to 64.
- The City of Nappanee's incurred costs for response and recovery after insurance settlements is over \$600,000. This amount, combined with previous storm damage, equals nearly \$700,000. The City is taking every measure to remain financially solvent while it seeks emergency funding assistance. The City advises that it will take at least three or more years for their budget to recover. Meanwhile, essential city services and the residents will suffer over this prolonged period.

Winter is taking a firm hold of northern Indiana. Night time temperatures are plunging into the single digits. Voluntary agencies anticipate requests for assistance with heating bills. Winter clothing is being provided. Snow and ice is making travel more difficult for those who still have jobs. Many of the victims are now travelling much greater distances to their place of work increasing commuting costs. Some school age children are being driven over 20 miles to their school while others have been enrolled in different schools due to relocation to other communities. Each of these options poses its own set of learning and social problems for children.

A large portion of the damaged homes were low to moderate income. Many of these families were living paycheck to paycheck. Some have been found to be supporting extended families. The tornado has placed such families, who had been able to fend for themselves, in great financial peril. This singular event may well place them in such a situation that they will become a burden upon taxpayers and voluntary agencies for years to come.

Therefore, based upon the results of the damage surveys and further investigations documenting the magnitude and severity of the damage and devastating impact to individuals, businesses, industry and local governments occurring on October 18, 2007, and continuing, I specifically request the following counties be designated for Individual Assistance: Elkhart, Kosciusko and Marshall Counties.

I am also requesting the implementation of the Hazard Mitigation program statewide.

The State of Indiana currently has an approved standard Hazard Mitigation Plan that will be updated by April, 2008.

I certify that for this major disaster, the State and local governments will assume all applicable non-Federal share of costs required by the Stafford Act. Total expenditures are expected to exceed \$2,500,000.00

This is the third time in three months that Elkhart, Kosciusko and Marshall Counties and their municipalities have responded to a disaster. As evidenced by the investigation conducted by my Department of Homeland Security, Response and Recovery Division personnel, many of the victims of this tornado do not have adequate means to restore their homes either through insurance or personal finances. Moreover, some of these very victims now in need of assistance were themselves instrumental in speeding relief to hurricane victims, through their work in Indiana's manufactured housing industry which stepped up in a time of crises to provide temporary housing assistance.

Residents have suffered uninsured losses while their communities have incurred extraordinary costs. Citizens impacted are faced with great hardships in recovering from this devastating event. Hoosiers are self reliant and hard working people. They are proud and want to take care of themselves. However, the evidence is clear. Federal supplemental assistance is necessary. Many of these victims are struggling day to day to make ends meet, even with the emergency assistance provided by the voluntary agencies. Without federal supplemental assistance, the area affected by this disaster can not, and will not adequately recover. Repairs to homes are not being made as would be expected. In many cases, victims, either by choice or by necessity, are utilizing housing that would not meet FEMA temporary housing criteria. Local government and voluntary agencies are doing all that can be done with available resources; however, the available resources will not be sufficient to address the tremendous recovery needs. Serious life, health and public safety concerns exist and will continue without immediate federal supplemental



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assistance. Serious unmet needs exist at this time. Those needs will increase as the situation worsens and voluntary agencies deplete their available resources.

I ask that you carefully review this appeal with all due speed. Currently, the State of Indiana does not have a disaster relief program in place for Individual Assistance. Therefore, the State of Indiana cannot provide the type of assistance required to relieve the extensive human suffering that is occurring. Over three hundred and fifty families are awaiting your decision at this season of joy and hope.

I look forward to your earliest favorable reply.

Sincerely,

A handwritten signature in black ink, reading "M E Daniels, Jr." in a cursive style.